

Wealth inequality

Wealth management loans at JPMorgan, Bank of America, Citi and Morgan Stanley have grown 50 per cent in the past four years, compared with only 9 per cent for their overall loan book.

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JPMorgan and Citi are now lending more to a small number of ultra-high net worth clients than to their millions of credit card customers. A decade ago, JPMorgan was lending five times as much to credit card customers as it did to private clients.

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Controversially, the borrowings can also serve to lower taxes. Instead of selling assets to raise cash — and facing a capital gains tax — high net-worth clients obtain funding by borrowing against the value of their investments.

Financial Times, May 27, 2021